GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2312
ANSWERED ON:08.08.2005
RISING STEEL PRICES
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Will the Minister of STEEL be pleased to state:

(a) whether the Government has set up a high level marketing group to monitor the impact of rising steel prices and suggest ways to reduce construction cost of projects;

(b) whether the Government has revised the rates of steel prevalent for Government contracts; and

(c) if so, the details/effects thereof?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)to(c): The Ministry of Statistics and Programme Implementation (MOSPI) had constituted an Expert Working Group to develop a generic trigger mechanism to deal with the price rise of bulk construction materials and to evolve a contractual provision to reduce the incidence of time and cost overruns in construction projects. However, subsequently, the MOSPI with the approval of Committee of Secretaries has brought out a Contract Document for Domestic Bidding containing guidelines on Standard Contract Clauses and Standard General Contract Conditions. The `Contract Document` inter-alia, provides in-built mechanism for price escalation in important items including cement and steel during the course of implementation of any project.